

Technology and Systems Drive DoD Business Transformation

By U.S. Army Maj. Gen. Carlos “Butch” Pair

“It is not, in the end, about business practices, nor is the goal to improve figures on the bottom line. It’s really about the security of the United States of America. And let there be no mistake, it is a matter of life and death. Our job is defending America, and if we cannot change the way we do business, then we cannot do our job well, and we must.”

**– U.S. Secretary of Defense Donald H. Rumsfeld
Sept. 10, 2001**

A Fundamentally Different DoD Business Model

The purpose of Department of Defense business operations is to rapidly deliver the right capabilities, resources and materiel to our warfighters: What they need, where they need it, when they need it, anywhere in the world.

Given the size of the DoD, this is a difficult enough task when the operating environment consists of sustained, conventional battlefield engagements in predictable parts of world. However, the DoD is deployed in 130 countries throughout the world, with operations as diverse as helping the people of Iraq to build their own defense force and establish a representative government, to providing recovery operations for tsunami relief and Hurricane Katrina.

The new reality of DoD’s complex military operations has given increased urgency to transforming the Department’s business operations. DoD is meeting this challenge with unparalleled energy and focus to confront inherited assumptions and cherished ways of doing business and to seek out better approaches to providing support for our warfighters.

In October 2005, the deputy secretary of Defense established the Business Transformation Agency (BTA) as the entity to manage and execute DoD enterprise-level requirements. The rapid inception of the BTA reflects the urgency for DoD business transformation and an acknowledgement that certain capabilities are needed at the corporate enterprise level to support the joint warfighter and senior DoD decision makers. These capabilities are enabled through enterprise data standards, reliable information sources, and a portfolio of interoperable systems to improve efficiency and effectiveness.

There are seven directorates that make up the BTA. The **Enterprise Integration Directorate** is responsible for supporting the integration of enterprise-level business capabilities such as Enterprise Resource Planning (ERP) systems, and how they should be implemented across complex organizational boundaries to support the joint warfighter.

The **Transformation Planning and Performance Directorate** facilitates maximum resource utilization and increased performance within the BTA’s time, cost and performance constraints.

The **Transformation Priorities and Requirements Directorate** is the primary link to the Principal Staff Assistants (functional business requirement owners) within the Office of the Secretary of Defense (OSD), as well as other DoD-level organizations including the U.S. Transportation Command, the Defense Logistics Agency (DLA) and the Defense Finance and Accounting Service (DFAS).

The Scale of DoD Business Transformation

The Department of Defense is the largest agency in the federal government. Department leaders know that sound financial management is essential to a wise use of DoD resources. The Department owns 86 percent of the government’s assets. It employs 1.4 million active duty men and women, 740,000 civilians, 820,000 guard and reserves, and pays benefits to 2 million retirees and families.

In addition, the Department operates in more than 130 countries using more than 600,000 buildings and structures.

Managing an organization with resources of this magnitude demands sound and reliable business and technology management practices and systems.

DoD Compared to Industry

• DoD budget is \$200 billion larger than Wal-Mart’s revenue, the largest Fortune 500 Company.

• DoD assets and liabilities are more than the combined assets and liabilities of Wal-Mart, Exxon, Ford and IBM.

It ensures that the functional priorities and requirements of these client organizations are reflected in both the Business Enterprise Architecture and the Enterprise Transition Plan, and in the guidance for business system investment management.

The **Investment Management Directorate** provides leadership in investment management for DoD Enterprise-level business systems, coordinates the efforts of the DoD 5000 series as it pertains to business systems, and provides BTA input for the Quadrennial Defense Review (QDR). The **Warfighter Support Office** addresses immediate business process and business system challenges that adversely impact current operations. WSO delivers near-term value by connecting the DoD’s business mission to the warfighter, and identifying and addressing frontline opportunities.

Agency Operations provides centralized support across the Business Transformation Agency. This support enables the directorates to complete their individual missions, contributing to the overall transformation mission of the Agency. The Defense Business Systems Acquisition Executive (DBSAE) is a flag officer or equivalent Senior Executive Service (SES) position.

“The modernization of the Department of Defense is a matter of some urgency. In fact, it could be said that it’s a matter of life and death, ultimately, every American’s.”

— U.S. Secretary of Defense Donald H. Rumsfeld

This directorate includes the DBSAE and his or her supporting staff and is responsible for driving the successful implementation of DoD systems and initiatives in support of the Department’s Business Transformation goals.

In support of the Department’s transformation goals, the agency has established four strategic objectives. The BTA pledges to: (1) Support the joint warfighter; (2) Enable rapid access to information for strategic decisions; (3) Reduce the cost of defense business operations; and (4) Improve financial stewardship to the American people.

Improving Agility and Accountability

The Department has made significant strides in breaking down the legacy cultural and systems barriers that hamstringing business agility. The current climate of making continuous improvements every six months to benefit the warfighter has succeeded in driving progress at an unprecedented rate.

Through the leadership of the Defense Business Systems Management Committee (DBSMC), DoD now has a tighter alignment of end-to-end business functions, better management visibility into operations, and a noticeable bias toward execution excellence.

Governance and a Portfolio View

An important activity related to defense enterprise integration is the migration of IT systems from across DoD into a common portfolio of business enterprise programs. These enterprise programs will provide enhanced visibility, advocacy, and direct accountability to senior leadership and enable focused implementation of DoD enterprise business capabilities. The deputy secretary established the DBSAE to be accountable for the delivery of these enterprise-level business systems.

Beginning October 2006, the DBSAE will have organized to be able to deliver the needed capabilities of 25 assigned programs. Key to this is the recognition that governance at the senior-level was absent. The Defense Integrated Military Human Resources System (DIMHRS) and the Defense Travel System (DTS) now benefit from 08-level Enterprise Steering Groups. Next is a governance body for sourcing and later financial visibility.

Each program will be assigned to a program executive officer that will not only look at each program individually but also as a family of systems. The expected benefits of the portfolio view will allow the Department to gain from portfolio strategies in the areas of funding, hosting, security and schedule synchronization, as an example.

Key DBSAE Programs

Acquisition Spend Analysis Service (ASAS)

The DoD procures more than \$200 billion in goods and services annually. Prior to providing an enterprise-level solution, inefficient processes and lack of data resulted in fragmented and redundant

buying strategies, misguided purchase decisions, and missed opportunities for cost savings.

The Acquisition Spend Analysis Service provides the enterprise-level solution to acquisition analysis, pulling data from multiple services into a single point for review, reducing the complexity of data integration across the Department. ASAS provides insight into buying patterns to support the most efficient sourcing strategies for the warfighter and offers the ability to look for opportunities to leverage purchasing across the military services and agencies. It also provides a tool for trend analysis and compliance checks, resulting in more informed decision-making across the DoD.

Contractor Performance Assessment and Reporting System

CPARS is a Web-enabled application that collects and manages the library of automated Contractor Performance Assessment Reports, which measure contract execution and provide a record, both positive and negative, for contracts. The system allows the storage of assessment reports along with supporting program and contract management data, such as cost performance reports, customer comments, quality reviews, technical interchange meetings, financial solvency assessments, construction/production management reviews, contractor operations reviews, functional performance evaluations, and earned contract incentives.

CPARS is now being used by all supply centers throughout DLA and the military services.

Defense Business Sourcing Environment (DBSE)

DBSE will provide the DoD enterprise a standard and automated end-to-end sourcing capability by which supplies and services are acquired in support of the warfighter. DBSE will provide the common core enterprise service for DoD sourcing and enable a Common Supplier Engagement Model from requisition to payment by delivering an integrated suite of new and existing DoD-wide capabilities.

Defense Integrated Military Human Resources System

DIMHRS will provide an end-to-end, integrated military personnel and pay system for the military services, including their active, Reserve and National Guard components. DIMHRS is a transformational technological effort that seeks to provide integrated personnel and pay functions, offers accurate and timely data on personnel assets, tracks Reservists for both pay and service credit, traces all military personnel in and around a given forward deployed theater, and offers standard data for comparison across the services and components.

DIMHRS implementation will result in significant improvements in the ability of the military services to account for and manage human resources. However, obtaining the full potential of DIMHRS will require that capabilities are closely aligned with service needs through the frequent and ongoing involvement of the military services in the definition, development, and deployment of those capabilities.

The DBSAE Putting Technology to Work: DTS

The Vision: Reengineer defense travel to a seamless, paperless, automated system that meets the needs of individual travelers, force commanders, and process owners, such as finance and accounting services. The new system will support defense mission requirements, provide superior customer service to the traveler and to the command, and reduce costs to the government.

The Reality: For the 3.5 million active duty military, Reserve and civilian employees of the Department of Defense, travel has often been a notoriously long and difficult process. However, it is not anymore.

DTS represents a whole new way of doing business for government. It delivers real, measurable results as proven in pilot tests. DTS makes the travel process faster, easier and better than ever before. DTS seamlessly automates the three DoD travel processes: authorization, reservation and voucher filing.

Using DTS, travelers are able to generate travel authorizations, make trip reservations, and route travel requests for approval, all from their desktop workstation. The system is paperless and uses DoD Public Key Infrastructure (PKI) certificates for digital signatures, as required.

The Deployment: DTS is totally Web-based. There is no need to load any software on the workstation other than a Web browser plug-in for digital signature authentication and system security. When the trip is complete, the traveler can quickly create a voucher from the data already stored in the DTS system, and then electronically route it for approval and submission to DFAS.

An electronic funds transfer from DFAS to the traveler's bank account completes the process. Finally, the traveler is able to scan or fax required receipts, which are attached to the individual's travel voucher for electronic archival upon completion of the process.

Easy Accessibility at all Levels: DTS is based on commercial-off-the-shelf software and leverages the Defense Information Infrastructure. Thus, users enjoy multiple ways to access the Defense Travel System, ranging from Web browsers to client/server access to character-based environments. Users who are not yet automated can take full advantage of DTS through their commercial travel office contractor via phone and fax.

Real Time Information for Users: Real-time availability and booking capability are built into the DTS to provide easy access to commercial travel service providers. Travelers can instantly check databanks of information on hotel, airline and car rental availability.

Scalable to Meet Tomorrow's Needs: DTS is based on a clustered multiprocessing environment with modular systems for maximum flexibility. With this configuration, it's easy to add processors, memory and functionality based on customer needs. Because of the client/server architecture, DTS users gain better presentation of information along with greater flexibility during interaction.

Optimized for database environments, DTS features powerful servers and software products that provide the exceptional reliability

and efficiency required to meet DoD's high volume of transactions and query-intensive applications.

Built-in Supportability for Exceptional Service: The DTS team has established the first Central Data Center in Fairfax, Va., to operate DTS. This data center is configured to provide highly reliable, responsive data services while ensuring data integrity with minimal administrative burden. A help desk based in Fairfax will provide anytime, anywhere support to users. A second data center will soon be up and running in Annapolis, Md., and will further enhance the reliability, responsiveness and integrity of electronic data services with minimum administration.

Full-Scale Security Ensures Integrity: Stringent control of system data and resources is built into DTS, and the DTS team delivers a command and control level of trust via the system's security. Secure gateways and other security controls in the data center provide identification and authentication of users, control access to specific data records, and prevent the unauthorized disclosure and dissemination of DoD travel data. All internal resources of the system — computers, networks and data — are fully protected from external attack.

DTS, which is compliant with all privacy act requirements, protects travel documents and personal profile information by allowing the Defense Travel Administrator (DTA) to limit traveler and Authorizing Official (AO) access. Travelers only have access to personal profile information on a need-to-know basis determined by the DTA. AOs only have access to travel documents for those travelers for whom they are responsible.

The challenges facing the DoD fall into three broad categories: those that heavily depend on systems solutions; those that depend primarily on process solutions; and those that depend on both systems and process solutions. With the DBSAE acting as an oversight to programs, which address all three of these categories, the BTA will continue to make significant strides toward improving the DoD and guiding business transformation efforts.

The DBSAE programs and systems will provide DoD with transformation tools to assist in transitioning to a future information infrastructure that will provide flexible and responsive business and financial support to the warfighter and senior decision makers.

Additional information on the BTA or DBSAE programs can be found at <http://www.dod.mil/bta>.

Maj. Gen. Carlos "Butch" Pair is the Defense Business Systems Acquisition Executive. As DBSAE, he is responsible for driving the successful implementation of the DoD Business Enterprise systems and initiatives in support of the Department's business transformation goals. He exercises acquisition oversight for highly visible enterprise-level business systems assigned by the Defense Business Systems Management Committee (DBSMC). Go to http://www.dod.mil/bta/ldr_pair.html for Maj. Gen. Pair's biography.

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